

Message Text

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C O N F I D E N T I A L ABIDJAN 7654

UNA FOR TEFFT

E.O. 11652: GDS

TAGS: EFIN, ECIN, XA

SUBJECT: U.S. FOREIGN ECONOMIC POLICY TOWARD AFRICA

1. DR. ANNE HOLLOWAY AND MATTHEW HENNESEY, U.S. ALTERNATE DIRECTOR TO AFRICAN DEVELOPMENT FUND, MET MORNING OF AUGUST 14 WITH MR. ANSOADA, SECRETARY GENERAL, AND MR. ALTHNARD, DEPUTY DIRECTOR OF THE ASSOCIATION OF AFRICAN DEVELOPMENT FINANCE INSTITUTIONS (AADFI). IN RESPONSE TO PRELIMINARY QUESTIONS FROM HOLLOWAY, ALTHNARD REVIEWED BRIEF HISTORY AND PURPOSE OF ORGANIZATION. ANSOADA GAVE SYNOPSIS OF ASSOCIATION'S CURRENT ACTIVITIES.

2. ALTHNARD DISCUSSED THE ORIGINS OF AADFI WHICH WAS ESTABLISHED IN ABIDJAN ON MARCH 6, 1975. IN 1974 AT MEETING HOSTED BY UNIDO IN TUNIS, MOST AFRICAN DELEGATIONS FROM NATIONAL DEVELOPMENT INSTITUTIONS AGREED TO SET UP PROTO-TYPE PROFESSIONAL ASSOCIATION TO
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PROVIDE RESPONSE TO FINANCIAL AND TECHNICAL ASSISTANCE NEEDS AMONG THEMSELVES. THESE NATIONAL BODIES PETITIONED THE AFRICAN DEVELOPMENT BANK TO ASSIST THE PROJECT AND AFTER SOME DELAY 40 ORGANIZATIONS MET IN MARCH 1975 UNDER ADB AUSPICES TO CREATE AADFI. AT THE OUTSET, AADFI HAD NO CONSTITUTION (OR OPERATING GROUND RULES) UNTIL LATER DEvised BY ITS EXECUTIVE COMMITTEE. THIS RULING

BODY CONTINUES TO DETERMINE POLICY OF AADFI IN THREE YEARLY MEETINGS.

3. ALTHNARD STRESSED AADFI PRIORITY OF MEMBER BANKS' DEVELOPMENT ROLES; THE EXCLUSION OF COMMERCIAL FINANCE INSTITUTIONS THAT SEEK PROFIT THROUGH DEVELOPMENT FINANCING; AND THE OFTEN PARASTATAL CHARACTER OF THE ASSOCIATION MEMBERSHIP. NON-REGIONAL INSTITUTIONS CAN APPLY FOR MEMBERSHIP UNDER CERTAIN CRITERIA.

4. IN RESPONSE TO QUESTION REGARDING ADVANTAGES OF JOINING AADFI, ALTHNARD REVEALED THAT BOTH THE ECOWAS FUND THE THE ENTENTE FUND, BECAUSE OF POLITICAL OR MANAGEMENT DIFFICULTIES, HAVE NOT YET BECOME MEMBERS DESPITE ACTIVE RECRUITMENT. AADFI HOPES EVENTUALLY TO WORK TOWARD MUTUAL TRAINING AND TECHNICAL ASSISTANCE PROGRAMS WITH ECOWAS FUND. THREE-FOURTHS OF AFRICAN NATIONAL DEVELOPMENT INSTITUTIONS HAVE JOINED AADFI BUT POLITICAL INHIBITIONS SUCH AS NON-PRESIDENTIAL APPROVAL IN MALAWI HAVE KEPT SOME FROM JOINING. AADFI EXTENDS ASSISTANCE TO ALL REQUESTS WITHOUT REFERENCE TO MEMBERSHIP STATUS. ECA/UN HOLDS ORGANIZATION CHARTER AND ADMINISTERS MEMBERSHIP APPLICATION PROCEDURES.

5. A LACK OF FUNDING RESOURCES HAS RESTRICTED AADFI'S
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CHIEF GOALS OF PROVIDING IN-HOUSE TRAINING AND TECHNICAL ASSISTANCE. IN AN UMBRELLA RELATIONSHIP WITH THE ADB, ASSOCIATION RECEIVES \$60,000 IN ASSUMED COSTS (MOSTLY ADMINISTRATIVE) FROM THE BANK AND \$20,000 YEARLY CONTRIBUTION COLLECTIVELY FROM MEMBERSHIP. TOTAL ANNUAL BUDGET OF \$80,000 FUNDS THREE PROFESSIONAL SECRETARIAT POSITIONS AND LIMITED ACTIVITIES. AN ORGANIZATIONAL OBJECTIVE IS TO EXPAND CURRENT ACTIVITIES AS INFORMATION CLEARING HOUSE AND TRAINING CENTER IN NEXT THREE YEARS. AADFI HAS ENTERED INTO TWO FORMAL AGREEMENTS IN ORDER TO ENHANCE ITS EFFECTIVENESS IN BOTH AREAS. THE FIRST IS WITH CENTER FOR MONETARY STUDIES BASED IN DAKAR, ALSO A PROFESSIONAL INSTITUTION TIED TO THE ASSOCIATION OF AFRICAN CENTRAL BANKS. SECONDLY, IN ASSOCIATION WITH THE ADB AND EDI/WORLD BANK, AADFI HAS AGREED TO SET UP TRILATERAL PROGRAM FOR TRAINING OF DEVELOPMENT BANK STAFF OVER NEXT THREE YEARS (COPY OF AGREEMENT PASSED TO HOLLOWAY). AADFI HOPES TO USE PROGRAM TO ESTABLISH STANDARD TRAINING AND FINANCIAL COORDINATION BETWEEN ANGLOPHONE AND FRANCOPHONE SYSTEMS. ALTHNARD SUGGESTED THAT USG COULD PLAY A KEY ROLE IN THIS PARTICULAR PROJECT BY PROVIDING

FUNDING FOR PARTICIPANTS' TRAVEL AND SUBSISTENCE, ALTHOUGH THE ADB WILL PROVIDE THE MAJOR COSTS OF ADMINISTRATIVE ARRANGEMENTS AND EDI OF MATERIALS PREPARATION.

6. OTHER AADFI PRIORITIES REVIEWED BY ANSOADA INCLUDE ASSISTING ESTABLISHMENT OF NEW NATIONAL DEVELOPMENT BANKS AND FINANCE INSTITUTIONS (PENDING REQUEST FROM GUINEA-BISSAU CENTRAL BANK); MAINTAINING INFORMATION-SHARING CAPACITY (TWO BULLETINS; ONE QUARTERLY JOURNAL; BI-ANNUAL YEARBOOK); ORGANIZING OCCASIONAL TRAINING SEMINARS AND WORKSHOPS (TOPICS: "RESOURCES MANAGEMENT IN RURAL AREAS;" "SMALL-SCALE TECHNOLOGY AND THE ROLE OF DEVELOPMENT BANKS," ETC.); INCREASING COOPERATIVE

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TIES WITH OTHER INTERNATIONAL DEVELOPMENT BODIES SUCH AS UNDP AND UNIDO; AND FINALLY, PROMOTING THE ESTABLISHMENT OF A MORE DIRECT LINK BETWEEN THE GLOBAL PRIVATE SECTOR AND MEMBER BANKS.

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